



Committee On Finance

Max Baucus, Ranking Member

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Senator Baucus Remarks at The Carter Center, Atlanta Addressing the Current Crisis in Cuba: The Path Toward Engagement

Ladies and Gentlemen, Commissioner Irvin, Friends from the Carter Center.

Thank you for your friendly welcome. And thank you, Commissioner Irvin, for your warm introduction. The agriculture industry in Georgia has greatly benefited from your three decades of committed service. In fact, farmers from all across the country benefit from your strong leadership.

I am also delighted to be joined by several familiar faces - former Governor George Busby, as well as Bill Johnson. Your hard work to bring international commerce to Georgia is a good example of how government and industry at all levels are so valuable in making the global trading system work for all Americans. Thank you for taking time to be here this morning.

It's an honor to address all of you today at the Carter Center. This influential institution, dedicated to the highest principles of peace and alleviation of suffering across the globe, inspires all of us to work toward those goals.

And it is President Carter, the founder and namesake of this great institution, who has been the greatest inspiration of all. The recognition by the Nobel Committee of his lifetime of work toward international peace was long overdue.

In his Nobel Lecture this past December, President Carter reminded us that goodness and truth can overcome powerful odds. And in times such as these, this is a vitally important lesson. The desire to erect walls between ourselves and those we fear or dislike can be strong.

Yet, to do this would diminish the very values and principles we seek to preserve. President Carter made this point eloquently when he quoted a childhood teacher in saying: "We must adjust to changing times and still hold to unchanging principles."

These words should guide us as we struggle through the dangerous troubles in the Middle East. Yet, they also illuminate the course for peace and stability in our own hemisphere.

For forty years, our country has carried out an embargo against the Cuban people. In 1962, when the embargo was imposed, the policy made some sense. The Cold War, and all that came with it - the arms race and the fear of communism sweeping through our Latin neighbors - influenced virtually every foreign policy decision made in Washington.

But the end of the Cold War has only served to heighten the fact that the economic embargo of Cuba has been a failure. Why?

Is it because the sanctions have been unilateral?

Or is it because the embargo, itself, has become the scapegoat for the tough economic times during the last decade in Cuba?

It's likely both of these things. But it's also because the premise of the embargo - isolation - is a flawed approach to U.S. foreign and international economic policy.

While the basis of U.S. foreign policy during the Cold War was containment of the communist threat, the driving force of the American Century has been the irrepressible, irresistible spirit of the American people.

Indeed, the American people are the best advertisement for democracy. And forty years of failed embargo suggests this truth. The United States has achieved a level of success - in so many ways - unprecedented in human history. Our global influence is unparalleled.

Yet, it is in Cuba - an island nation, less than ninety miles off our shores - where we are least influential.

And, not surprisingly, it is in Cuba, more than any other Latin American country, that the advancement of democracy and basic human rights struggles the most.

Freedoms that we take for granted aren't available to people throughout Cuba. The freedom to speak their minds, freedom to go where they want to go, and freedom to have a say in their own government.

Two weeks ago, Cuban authorities arrested more than 70 dissidents primarily for their involvement with U.S. diplomats. Almost half of the detainees are involved with the Varela Project, a campaign calling for political and economic reforms.

The Project is an inspiring example of the will of a people yearning to have a voice in their own destiny, which makes the resulting arrests even more despicable and unacceptable.

Now, proponents of the embargo point to these violations of human liberty and say, 'This is why we need to maintain the embargo.' They argue that lifting the embargo would only give aid and comfort to Castro.

Yet, the embargo has been in place for forty years and Castro remains in power. If anything, he is stronger now than he was twelve years ago, at the end of the Cold War. And the human rights abuses continue unchecked.

The arrests of the dissidents suggest to me that Castro agrees with President Bush that Americans and Cubans shouldn't be allowed to visit one another.

But if Castro is fearful of dissidents talking to Americans, the answer is not to stop sending Americans. The answer is to send *more* Americans. We can do this by simply lifting the travel restrictions. There is such sad irony with the current travel restrictions - we're trying to promote freedom and democracy in another country by restricting it in our own.

Indeed, there is a direct correlation between the lack of basic human rights in Cuba and current U.S. policy. Castro's regime is maintaining its grip because we aren't taking advantage of the very forces that can promote change.

Forces such as trade between the nations. Trade is an engine for more than just economic growth. It's an engine for fundamental change in societies that have closed themselves off from the world. Yet, we refuse to trade with Cuba.

These failures beg a re-evaluation of current policy. It has been more than a decade since the end of the Cold War. When the Soviet Union collapsed, Cuban-Americans were saying to one another - 'We'll celebrate Christmas in Havana.' Sadly, this hopeful saying has become an ironic joke about the stubborn perseverance of the Castro regime.

Of course, the failures of the embargo hurt not only the Cuban people, they also hurt Americans.

The International Trade Commission has estimated that the embargo costs U.S. workers and farmers potentially more than \$1 billion in lost exports. These losses affect people in all regions of the United States.

Farmers in my home state of Montana are hurt because they lose access to a market that could be worth as much as \$52 million in U.S. wheat exports.

Farmers in Georgia are hurt even more. The Department of Agriculture has estimated that U.S. poultry exports in the absence of sanctions could eventually be as high as \$100 million annually.

Like other farmers in the United States, Georgia poultry producers would gain from open access to Cuba because they enjoy a significant and natural advantage in transportation versus other foreign suppliers.

Other workers and businesses are hurt, as well. Since September 11, the airline industry has suffered enormously. Tourism is down. Fears of terrorism and the general economic slowdown are taking their toll. Congress has already issued one bailout of the airline industry, and some have suggested another may be necessary.

While opening Cuba is not a panacea for the airline industry, it would have a positive impact. Cuban airports would be integrated into the larger Caribbean service network. Industry analysis suggests the air transport market to and from Cuba could be as large as that currently provided to Puerto Rico or the Dominican Republic. This is bound to benefit companies and workers here in Atlanta.

All of this amounts to lost opportunity. As a policymaker, I worry about this. And I worry about the slow pace of democratic and human rights reform.

These concerns should compel all of us to reconsider U.S. policy. We need to consider what role the embargo has played in causing this damage. We need to consider to what extent the embargo actually strengthens the Castro regime.

The answers I come up with are clear. Forty years of embargo have done nothing to improve democracy and human rights in Cuba. Forty years of embargo have done nothing to bring about change to the Castro regime.

It is time to right this wrong. It is time to try a new approach. It is time for engagement.

Recently, I introduced legislation to normalize relations with Cuba. This legislation represents a fundamental shift away from the isolation and neglect of current policy. Instead, it proposes a policy of engagement and dialogue between the American and Cuban peoples. This reform would be accomplished in three specific ways:

First, by lifting the trade embargo;

Second, by removing all restrictions on travel from our country to Cuba; and,

Third, by eliminating the limits on how much money Americans can send to family and friends in Cuba.

I will work hard this year to see that these reforms are enacted.

And I should note here that there is a growing bipartisan consensus that we must engage Cuba. This is perhaps best reflected by the recent establishment of the Senate Working Group on Cuba – a group of Senators, both Democrat and Republican, who will explore ways to reform the current policy.

The political winds are shifting on this issue. Congress – and certainly the American public – is beginning to realize that there is more to be gained through engagement than through isolation.

In fact, it is President Bush who has best articulated why engagement is important. Last August, upon signing the Trade Act of 2002, the President said this:

“Free trade is also a proven strategy for building global prosperity and adding to the momentum of political freedom.” He went on to add: “Greater freedom across borders eventually leads to greater freedom for citizens within the borders.”

I couldn’t agree more.

We see engagement beginning to work in China, in Vietnam, and in a host of other Asian nations. I believe we will soon see this in the Middle East.

And if it works in Asia, and if it works in the Middle East, it ought to work in our own backyard.

I believe this is true because – more than anything else – engagement reflects the heart and soul of the American people. We are an optimistic people and we are an open people. Where we encounter problems, we seek solutions. It is time that we seek solutions for the Cuban people.

I want to be clear – ending the embargo is not a magic bullet that will solve all of Cuba’s problems. Our engagement with Cuba should be without illusions.

As long as Castro remains in power, the U.S. relationship with Cuba will be strained. But in the current climate, simple misunderstandings can easily spin out of control, sometimes with serious consequences.

By opening a dialogue and moving towards normalized relations, we begin to chip away at the ignorance that breeds fear and mistrust. More importantly, it sends a simple message of support to the Cuban people.

After President Carter traveled to Cuba and engaged the Cuban people directly, Oswaldo Paya, coordinator of the Varela Project - that inspiring example of the will of the Cuban people - was quoted as saying:

“Something has changed: The Cuban people have met hope.”

I am inspired by this observation and I am inspired by the hope President Carter gave the people of Cuba. I say it is time to respond to their hope. It is time to open Cuba.

Thank you very much.